

## Message Text

LIMITED OFFICIAL USE

PAGE 01 JAKART 05426 080535 Z

11

ACTION EA-14

INFO OCT-01 EUR-25 ADP-00 AGR-20 IO-12 OIC-04 AID-20

CIAE-00 COME-00 EB-11 FRB-02 INR-10 NSAE-00 RSC-01

TRSE-00 XMB-07 OPIC-12 CIEP-02 LAB-06 SIL-01 OMB-01

RSR-01 /150 W

----- 001091

P 080459 Z MAY 73

FM AMEMBASSY JAKARTA

TO SECSTATE WASHDC PRIORITY 6799

INFO AMEMBASSY THE HAGUE PRIORITY

AMCONSUL MEDAN

LIMITED OFFICIAL USE JAKARTA 5426

THE HAGUE FOR U. S. IGGI DELEGATION

E. O. 11652: N/ A

TAGS: EGEN, BEXP, ID

SUBJECT: WEYERHAEUSER

REFS: A) STATE 085875; B) JAKARTA 5207

1. REF B, PARA 3 NOTED ISSUE OF COMPARABILITY OF TAX TREATMENT WITH OTHER MAJOR FORESTRY INVESTORS. THIS ISSUE RELATES TO PROVISION IN SORIANO CONTRACT WHICH EXEMPTS THAT COMPANY FROM EXPORT TAX OF 10 PERCENT ON CHECK PRICE ON LOG EXPORTS, AND PROVIDES FOR SUBSTANTIALLY REDUCED ROYALTY AND EXPORT TAX EXEMPTION ON ANY EXPORTS OF SAWN RPT SAWN TIMBER. CONCESSIONS GIVEN SORIANO BASED ON COMMITMENT OF LATTER FOR EARLY INVESTMENT IN PULP MILL, WHICH REMAINS FAR FROM REALIZATION. WEYERHAEUSER BELIEVES THAT IN RECOGNITION THAT ITS PRESENT INVESTMENT TRIPLES SORIANO'S AND IT WILLING MAKE MAJOR MOVE INTO PROCESSING, IT SHOULD OBTAIN TREATMENT COMPARABLE TO SORIANO ALTHOUGH NOT LIMITED OFFICIAL USE

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PAGE 02 JAKART 05426 080535 Z

SPECIFIED IN ITS AGREEMENT. WEYERHAEUSER  
PROVIDED EMBASSY DATA BASED ON MARCH PRICES WHICH SHOW  
EFFECTIVE TAXES ( ROYALTY, ROYALTY SURCHARGE PLUS EXPORT  
TAX) APPLIED UNDER SORIANO CONTRACT ARE 40-50 PERCENT  
LESS THAN THOSE APPLICABLE TO EXPORTS OF LOGS BY WEYER-  
HAEUSER AND OTHER FORESTRY INVESTORS.

2. PER REF B, PARA 3 CASHIN CARRIED BOPY OF WEYERHAEUSER  
DATA THIS ISSUE TO AMSTERDAM FOR BARGER. WILL AIRPOUCH  
COPY TO EA/ IMS.  
TOUSSAINT

LIMITED OFFICIAL USE  
NMAFVVZCZ

\*\*\* Current Handling Restrictions \*\*\* n/a  
\*\*\* Current Classification \*\*\* LIMITED OFFICIAL USE  
@@@OASYS@@@<CONCATENATED>

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\*\*\* Current Handling Restrictions \*\*\* n/a

\*\*\* Current Classification \*\*\* LIMITED OFFICIAL USE

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** n/a  
**Control Number:** n/a  
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**Draft Date:** 08 MAY 1973  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** garlanwa  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
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**Disposition Event:**  
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**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
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**Page Count:** 3  
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**Previous Handling Restrictions:** n/a  
**Reference:** 73 STATE 085875, 73 JAKARTA 5207  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** garlanwa  
**Review Comment:** n/a  
**Review Content Flags:** ANOMALY  
**Review Date:** 19 SEP 2001  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <19-Sep-2001 by smithrj>; APPROVED <20-Nov-2001 by garlanwa>  
**Review Markings:**

Declassified/Released  
US Department of State  
EO Systematic Review  
30 JUN 2005

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** <DBA CORRECTED> mcm 971219  
**Subject:** WEYERHAEUSER  
**TAGS:** BEXP, ID, EGEN  
**To:** EA  
MEDAN  
SECSTATE WASHDC  
THE HAGUE  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005